

CITY OF WARWICK

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

NO: _____

APPROVED: _____ MAYOR

DATE: _____

RESOLVED, That The City Council of the City of Warwick as required by the provisions of Sections 6-11 and 6-12 of the City Charter and the Ordinance relative to competitive bidding on purchase enacted there under hereby and herewith approves the acceptance of the following bid(s):

Bid #	Name	Vendor(s) Name/Address	Contract Award	Contract Period	Note	Code
2016 - 245	Workers' Compensation Self-Insured Third-Party Administrator or Fully-Insured Carrier	<i>Beacon Mutual</i> One Beacon Ctr. Warwick, RI 02886	\$47,333.00	5/1/16 - 4/30/19		

AND BE IT FURTHER RESOLVED, That such purchase or contract be awarded to the lowest responsible bidder.

THIS RESOLUTION SHALL TAKE EFFECT UPON ITS PASSAGE

**Bid #2016-245 Workers' Compensation Self-Insured Third-Party
Administrator or Fully-Insured Carrier**

- 5 bids submitted

CODE 79-170 Workers' Compensation
(FY16 \$75,392.00 available as of 2/23/16)
(FY17/FY19 Pending available funding)

MANNER OF AWARD \$47,333.00
May 1, 2016 – April 30, 2019

RECOMMEND Beacon Mutual

Beacon Mutual
One Beacon Ctr.
Warwick, RI 02886

Claim Strategies
60 Catamore Blvd.
E. Providence, RI 02914

PMA Management Corp. of New England
530 Preston Ave.
Meriden, CT 06450

FutureComp/USI Insurance Solutions
475 Kilvert St., Bldg. B
Warwick, RI 02886

Meadowbrook Insurance Group
10 New England Business Ctr., Ste. 303
Andover, MA 01810

Pricing as Follows

(continued next page)

	BEACON MUTUAL		CLAIM STRATEGIES	
	5/1/16 - 4/30/17	5/1/17 - 4/30/18	5/1/16 - 4/30/17	5/1/17 - 4/30/18
<u>I. Per Case Bid Cost</u>				
	5/1/18 - 4/30/19		5/1/18 - 4/30/19	5/1/18 - 4/30/19
Price for service agreement for 15 lost time and 30 medical only cases				
Price for each lost time case in excess of 15				
Price for each medical only case in excess of 30				
Price for assuming open lost time case files (if any)				
Price for assuming open medical only case files (if any)				
<u>II. Unified Bid Cost (preferred method)</u>				
	\$ 14,300.00	\$ 15,730.00	\$ 15,000.00	\$ 15,000.00
<u>Total Contract Cost</u>			\$ 17,303.00	\$ 15,900.00
<u>III. Fully Insured Cost</u>				

	<u>PMA MANAGEMENT</u>				<u>FUTURECOMP</u>			
	5/1/16 - 4/30/17	5/1/17 - 4/30/18	5/1/18 - 4/30/19	5/1/16 - 4/30/17	5/1/17 - 4/30/18	5/1/18 - 4/30/19	5/1/17 - 4/30/18	5/1/18 - 4/30/19
<u>I. Per Case Bid Cost</u>								
Price for service agreement for 15 lost time and 30 medical only cases	\$ 14,850.00	\$ 14,850.00	\$ 14,850.00	\$ 16,125.00	\$ 16,125.00	\$ 16,125.00	\$ 16,125.00	\$ 16,125.00
Price for each lost time case in excess of 15	included	included	included					
Price for each medical only case in excess of 30	included	included	included					
Price for assuming open lost time case files (if any)	included	included	included					
Price for assuming open medical only case files (if any)	included	included	included					
<u>II. Unified Bid Cost (preferred method)</u>								
<u>Total Contract Cost</u>	<u>\$ 14,850.00</u>	<u>\$ 14,850.00</u>	<u>\$ 14,850.00</u>	<u>\$ 11,583.00</u>	<u>\$ 11,583.00</u>	<u>\$ 11,583.00</u>	<u>\$ 11,583.00</u>	<u>\$ 11,583.00</u>
<u>III. Fully Insured Cost</u>								

	<u>MEADOWBROOK INSURANCE GROUP</u>		
	5/1/16 - 4/30/17	5/1/17 - 4/30/18	5/1/18 - 4/30/19
<u>I. Per Case Bid Cost</u>			
Price for service agreement for 15 lost time and 30 medical only cases			
Price for each lost time case in excess of 15			
Price for each medical only case in excess of 30			
Price for assuming open lost time case files (if any)			
Price for assuming open medical only case files (if any)			
<u>II. Unified Bid Cost (preferred method)</u>			
<u>Total Contract Cost</u>	<u>\$ 30,000.00</u>	<u>\$ 23,000.00</u>	<u>\$ 23,500.00</u>
<u>III. Fully Insured Cost</u>			

Bid #2016-245 Workers' Compensation Self-Insured Third-Party Administrator or Fully-Insured Carrier

VENDORS THAT WERE SENT SPECIFICATIONS

Alternative Risk Administrators, Inc.

222 Main St. Ste. 250
Farmington, CT 06032
nick@ara-claims.com

Beacon Mutual Insurance

One Beacon Centre
Warwick, RI 02886
dellis@beaconmutual.com
tbenson@beaconmutual.com

Cambridge Integrated Services Group, Inc.

1234 Market St. Ste. 1815
Philadelphia, PA 19107

Claim Strategies

60 Catamore Blvd.
E. Providence, RI 02914
jarnold@claimstrategies.com

Cook & Company Insurance Services, Inc.

1025 Plain St./PO Box 1068
Marshfield, MA 02050
pkenney@cookandcompany.com
rmcnamee@cookandcompany.com
sfullam@cookandcompany.com

PMA Management Corp. of New England

530 Preston Ave.
Meriden, CT 06450
Alan_mathog@pmagroup.com

RI Interlocal Risk Mgmt. Trust

501 Wampanoag Tr. Ste. 301
E. Providence, RI 02915
lgrassini@ritrust.com

The ASU Group

Mail 2173 Commons Pkwy.
Okemos, MI 48805

USI Insurance Solutions/FutureComp

5700 Post Rd.
E. Greenwich, RI 02818
Tony.szwez@usi.biz

Webster Risk Services, Inc.

530 Preston Ave.
Meriden, CT 06450

**City of Warwick
Personnel**

Memo

To: Pat Peshka, Purchasing Agent
From: Jane Jordan, Personnel Director
Date: February 8, 2016
Re: Workers Compensation Bid

As you are aware, the City went out to bid for a worker's compensation administrator. That bid's intent was to obtain a service agreement to provide assistance in handling the City of Warwick's Self Insured Workers' Compensation Program for Municipal employees. The Uniform Police and Fire are not included nor the employees of the school department. The successful bidder will together with the City manage and administer the Self-Insured Workers' Compensation Program in accordance to the State of Rhode Island laws.

The City received bids from five vendors, including one from Beacon Mutual Insurance Company, the City's current provider.

There are three evaluation components to the bid – 1) Overall Cost of the bid – 50%; 2) Demonstrated experience and capabilities of the Firm – 40%; and 3) Firm's organizational resources 10%. The City also reserved the right to accept all or part of the proposals for one, two or three year terms.

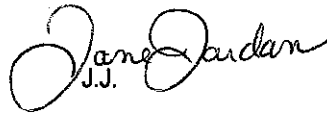
The bid specifications also stated that the City's preferred method was a Unified Bid Cost to which all bidders responded with that method.

Vendor	Unified Bid Cost First, second and third years	Cost	Experience/Capabilities	Organizational Makeup	Total
Claim Strategies	\$15,000 - \$15,000 - \$15,900	50%	40%	10%	100%
Beacon Mutual	\$14,300 - \$15,730 - \$17,303	40%	40%	10%	90%
Future Comp	\$11,583 - \$11,583 - \$11,583 Indicated additional fees – unable to determined actual overall cost	30%	30% No RI Municipal Clients	10%	70%
PMA Companies Management Corp. of N. E.	\$14,850 - \$14,850 - \$14,850 Indicated additional fees – unable to determine actual overall cost	10%	30%	10%	50%
Meadowbrook Ins. Group	\$30,000 - \$23,000 - \$23,500 Additional fees for conversion of prior data. Can be minimal or significant.	10%	30%	10%	50%

The Personnel Department is recommending that the bid be awarded to the evaluated bidder, Beacon Mutual Insurance, for a three year contract period at a cost of \$14,300 for the first year, \$15,730 for the second year, and \$17,303 for the third year. Neither of the evaluated bidders Beacon Mutual and Claims Strategies had other allocated claim costs. Our recommendation is based on the fact that Beacon Mutual is the City's current provider which has already established claim files and an escrow account. In the first year the cost of Beacon is \$700.00 less than Claims Strategies, and in the second year the cost of Beacon is \$730.00 more than Claims Strategies; which is just about a wash in cost and savings in the first two years. However, in the last year Beacon cost is \$1,403.00 more than Claims Strategies. This department has determined that the minimal savings associated with Claims Strategies will be exceeded in additional costs in staff time and other incidental costs associated with the transfer requirements in moving to a new provider.

Based on the above, the City would recommend Beacon Mutual, for a three year contract at a cost of \$14,300, \$15,730, \$17,303, prospectively.

If you have any questions, please call or email me (jane.jordan@warwickri.com).


J.J.